| CHECKLIST ENVIRONMENTAL ASSESSMENT | | |
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| Project Name: NorVal Electric ROW in Valley County | Proposed Implementation Date: 8/15/2012 | |
| Proponent: NorVal Electric, LLC | | |
| Type and Purpose of Action: NorVal Electric is proposing to install a | | |
| Location: | County: Valley | |
| E½E½SE¼, S26 T 28 N Range 40 E (Overhead power line), Milk River Crossing | | |
| SW ¹ / ₄ NW ¹ / ₄ , S36 T 28 N Range 40 (Overhead power line), Milk River Crossing | | |
| NE¼NW¼, S26 T 30 N Range 38 E (Overhead power line) | | |
| W½W½, S16 T 26 N Range 42 E (Underground Power line) | | |
| E½E½ S36 T 31 N Range 37 (Overhead power line) | | |
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| I. PROJECT DEVELOPMENT | | |
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| 1.PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project. | DEQ, MFSA The NorVal Electric submitted application to install a new overhead power line across surface lands that the State owns. Three crossing of overhead power line is proposed to cross the Milk River. A single tract of land is proposed to have the power line buried. | |
| 2.OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED: | DEQ, MFSA The purpose of the construction of this power line is to make a stable electric transmission line capable of supporting the Keystone pumping station. This project will only be constructed if the Keystone pipeline is approved. A draft EIS has been created for this project. To date, no final determination has been made regarding this project. SB35 directed the Department to review its ownership of navigable rivers. In the Department review of the ownership, the DNRC no longer claims any of the Milk River as navigable; therefore we do not claim its ownership. The Norval Electric elected to proceed with a DNRC Easement application for the Milk River stating that they feared the DRNC would come back and claim this ownership at a later date. | |
| 3. ALTERNATIVES CONSIDERED: | Grant permission for NorVal to construct the | |

Powerline.

Deny permission for NorVal to construct the power line.

| II. IMPACTS ON THE PHYSICAL ENVIRONMENT | | |
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| RESOURCE | [Y/N] POTENTIAL IMPACTS | |
| | N = Not Present or No Impact will occur. Y = Impacts may occur (explain below) | |
| 4.GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? | General Discussion: The proposed project will take place on a wide array of soil quality, stability and moisture conditions. For the most part, disturbance to the geology and soil quality will be minimal. The overhead power line will only disturb the soil and geology profile where posts are to be installed the ground. Ingress and egress to access the route may slightly disturb these physical attributes. The river crossing will not impact the physical characteristics of the geology and soil. The knifing in on the power line (WHWM, S16 T 26 N Range 42 E) will disturb the soil profile. ore beneath the bed of the river to a depth of Action: The construction of the powerline will have minimal impacts on the soils and geology of the state tracts that will be crossed. No-Action: There will be no impacts to these attributes of the landscape. | |
| 5.WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality? | The proposed action will cross the Missouri River and the Milk River. Action: The power line crossing is regulated by the DEQ MFSA application and mitigations will be addressed by them. The power line crossings are not anticipated to impact these attributes. No-Action: The power line will not constructed. | |
| 6.AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)? | The proposed area is generally considered to be a clean air quality environment. Action No impacts are anticipated on the quality of air quality. No-Action No impacts are anticipated on the quality of air quality. | |
| 7.VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? | Vegetation for this project covers a wide array of environmental factors. Mesic vegetative communities | |

| II. IMPACTS ON THE PHYSICAL ENVIRONMENT | | |
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| Are any rare plants or cover types present? | on up to dry land grass lands. Action: For the routes of the buried power line, the vegetative environment will be temporarily impacted. For the overhead power lines, the vegetation will be impacted primarily by the construction vehicles. No-Action No impacts will occur to the vegetative community. | |
| 8.TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? | Important fish and wildlife utilize these areas. Bald eagles, shorebirds, ducks, geese and other avian fauna utilize the area. Important fish would include the pallid sturgeon, and the paddle fish. Action: The construction of the power line will impact important fish and wildlife. The possibility of collision with the power line is present. MFSA will regulate and mitigate this resource. No-Action: No impacts will occur. | |
| 9.UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern? | Important fish and wildlife utilize these areas. Bald eagles, shorebirds, ducks, geese and other avian fauna utilize the area. Important fish would include the pallid sturgeon, and the paddle fish. Action: The construction of the power line will impact important fish and wildlife. The possibility of collision with the power line is present. MFSA will regulate and mitigate this resource. No-Action: No impacts will occur | |
| 10.HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present? | A class III inventory was done when completing the MFSA application. The inventory recommended the avoidance of any identifiable features. No features were identified in the project area for the State lands that are proposed. Action No impacts will occur to State land resources. No-Action No action will take place and therefore no impacts will occur. | |
| 11.AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? | The power line will be highly visible. The rivers are scenic areas. Action The construction of the power will be visible and may be viewed as a negative aesthetical value by some people. No-Action No power line will be constructed and therefore no change in aesthetics will occur. | |

| II. IMPACTS ON THE PHYSICAL ENVIRONMENT | | |
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| 12.DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? | The project is being completed in order to transfer tar sands oil to the gulf coast of Mexico. Action The approval of the power line will assist with the transportation of oil. No-Action: No oil will be transported. | |
| 13.OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract? | The project (Keystone pipe line) has been a highly controversial project. Multiple plans have been at play. This project (the power line) is a small part of the overall power line. Action: The power line will not impact other studies, plans or projects. No-Action The lack of construction will not effect other studies, plans or projects. | |

| III. IMPACTS ON THE HUMAN POPULATION | | |
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| RESOURCE | [Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES | |
| 14.HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area? No-Action Power line will not be constructed additional safety risk. | | |
| 15.INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities? Action The construction of the power line will accommercial activities in valley county by allowing pipeline to go through. No-Action No additional commercial activities will occur. | | |
| 16.QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number. | Action Temporarily, the project will add to the local workforce. Long term, minimal workforce jobs will be created No-Action No jobs will be created. | |
| 17.LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue? | Action The project will increase trust revenues as well as county and state tax revenues. No-Action No additional revenues will be created. | |
| 18.DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed? | Action Minimal government services will be added. No-Action No government services will be added. | |
| 19.LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, | Action The project will not impact locally adopted environmental plans and goals. | |

Date: July 27, 2012

| etc. zoning or management plans in effect? | No-Action No action will take place resulting in the continuance of the local plans as they are today. |
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| 20.ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract? | Action No impacts to wildernesses or recreational activates will take place. No-Action No impacts to wildernesses or recreational activates will take place. |
| 21.DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? | Action No-Action No alter of population of addition of housing will be required. |
| 22.SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible? | Action No disruption of native or traditional lifestyles will take place. No-Action No disruption of native or traditional lifestyles will take place. |
| 23.CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area? | Action No shift in qualities will take place. No-Action No shift in qualities will take place. |
| 24.OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: | Action No other appropriate social or economic circumstances were identified. No-Action |

| IV. | FINDING | |
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| 25. | ALTERNATIVE SELECTED: | Action |
| 26. | SIGNIFICANCE OF POTENTIAL IMPACTS: | No significant Impact |
| 27. | Need for Further Environmental Analysis: | |
| | [] EIS [] More Detailed EA [x] No : | Further Analysis |

EA Checklist Prepared By: R. Hoyt Richards /s/

| EA Checklist Approved By: | Name | Title | |
|---------------------------|-------------------------------|-------|---------------------|
| - | s/Clive Rooney/s Signature | | Date: July 27, 2012 |

Instructions for Completing the Form

The checklist form is designed to cover the minimum requirements for an EA, but the rules should be reviewed frequently to assure that the requirements are being met (ARM 26.2.645 and 26.2.646). Just like other EAs, copies of all checklists must be sent to the Forest Management Bureau. The Forest Management Bureau is responsible for forwarding those EAs on to the Department's Environmental Coordinator. The Coordinator keeps a record of all EAs and forwards copies of the EAs to the Environmental Quality Council.

The format for this checklist follows the same topics and process as with regular EAs and EISs.

Complete the form as follows:

<u>Project Name</u>--Enter the name of the project proposal--"Jones Lease", "Wherzitat Timber Permit," etc.

<u>Proposed Implementation Date</u>--Date you expect the actual work on the project to start.

Type and Purpose of Action—Briefly identify or describe the proposed action in a few sentences or paragraphs, including an idea of the scope of the proposal. (e.g., "Clear and excavate a gravel pit on State land. The project would cover 4 acres and include a temporary crusher site. Approximately 4,000 yards of gravel would be crushed and hauled. After the gravel is removed in about three months, the site would be reclaimed and grass—seeded. See attached map and reclamation plan.")

<u>Location/County</u>--Section(s), Township, Range and county name.

SECTION I: PROJECT DEVELOPMENT

Item 1, Public involvement, Agencies, Groups or Individuals contacted—This item should be primarily a list of individuals and groups who contributed to the analysis. Private parties, State specialists, adjacent landowners and managers that were contacted, etc. should be listed. The level of public involvement will vary based on the level or interest. If much controversy is associated with the project, more extensive documentation is probably needed.

- Item 2, Other Governmental Agencies with Jurisdiction, List of

 Permits Needed--List those agencies or governing bodies
 that have some legal authority or control over the
 project. Include the Dept. of Fish, Wildlife and Parks
 for stream crossings, Air Quality Bureau, Water Quality
 Bureau, etc. Also list permits that are needed to complete the project.
- <u>Item 3, Alternatives considered</u>--The MEPA rules require "a description and analysis of reasonable alternatives to a proposed action whenever alternatives are
- reasonably available and prudent to consider and a discussion of how the alternative would be
- implemented." A brief description of alternatives
 considered, including the "no action" alternative, should be entered here.

SECTION II: IMPACTS ON THE PHYSICAL ENVIRONMENT

- Items 4-13, Impacts on the Physical Environment—The capitalized words in the boxes are elements listed in the Administrative Rules that require an evaluation of direct, cumulative and secondary impacts. The
- questions in the box are likely effects that should be considered when evaluating the particular resource. The Yes and No check box should not be used as an "answer" to these questions.
- Put an "N" in the box if no impacts would occur to the listed resource, or if the resource is not involved in the action. Put a "Y" in the box if the listed resource may be affected by the proposal. Typically, whenever you apply mitigation to avoid potential impacts you will answer "Y."

If a "Y" is entered, some explanation of what the effects will be should be entered in the POTENTIAL IMPACTS AND MITIGATION MEASURES box. This explanation should help the decision-maker determine whether environmental effects have been satisfactorily mitigated, or if more analysis is needed. Statements such as "insignificant effect" DO NOT convey this information. Appropriate scales, measures and illustrations should be used to display the effects. Include a list of mitigations needed to limit impacts. The form can be expanded on the computer or more pages attached if extra room is needed. If many long and involved

explanations are needed, a different type of EA may be appropriate.

Examples:

| 1. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclama- tion considerations? | [Y] Lacustrine soils are present, Operations will only be allowed when soil moisture is less than 20% at a 6 inch depth. (ILLUSTRATES MITIGATION MEASURE) |
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| 5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there significant use of the area by important wildlife, birds or fish? | [Y] The area is white tailed deer summer range. The project area is not an important use area for deer. Hiding cover will be reduced and forage will be increased on 4 acres out of a 590-acre parcel. (ILLUSTRATES UNIMPORTANT EFFECT) |

SECTION III: IMPACTS ON THE HUMAN POPULATION

- Items 14-24, Impacts on the Human Population--These blocks should
 be completed the same way as for
- Items 1-10, except that the effects are to the human population rather than the physical environment. Actions that do not cause changes to the affected resource but continue to support traditional occupations and lifestyles would be answered with an "N". Actions producing noticeable change would be answered with "Y."
- Item 19, Locally Adopted Environmental Plans and Goals--This block should include reference to the State Forest Land Management Plan. The following language can be used in this block: In June 1996, DNRC began a phased-in implementation of the State Forest Land Management Plan (Plan). The management direction provided in the Plan comprises the framework within which specific project planning and activities take place. The Plan philosophy and appropriate Resource Management Standards have been incorporated into the design of the proposed action.
- EA Checklist Prepared By--All those actually preparing the EA should sign and date on this line.

SECTION IV: FINDING

- <u>Item 25, Alternative Selected</u>--List selected alternative.
- Item 26, Significance of Potential Impacts For Selected

 Alternative—The approving officer should write a statement about the environmental effect of the overall proposal based on the entire EA. The conclusion should be based on the criteria for determining the significance of impacts in the MEPA rules (ARM 26.2.644). The statement should illustrate why effects are insignificant (or that more analysis is needed) and lead to the conclusions in Item 26. This may be drafted by the preparers of the EA with the decision—maker's consent.
- Item 27, Need for Further Environmental Analysis -- The decision maker should check the appropriate box based on an overall review of the EA and supporting documents.
 - <u>Decision By</u>--The decision maker should sign and date after completing Items 25 and 26.